

March 24, 2014

American Lawyer Media
120 Broadway
New York, NY 10006

To the Editors:

The American Lawyer and its sister publications have done much good over the past two decades, however, one area of controversy has been the annual reporting of the average annual profit per equity partner of a law firm. That is why, as Dentons, a new global polycentric firm that has thousands of lawyers of many different nationalities and backgrounds, we have provided only some of the data related to our operations and we have chosen to no longer report average, aggregate annual profit numbers.

Many clients care about how many lawyers a firm has in any particular location or practice group, so publicly releasing those numbers makes sense to our partners and to our clients. However, profit numbers are different for the four principal reasons described below.

First, in the age of global law firms, which span multiple economies, cost structures and earnings practices, it is impossible for a single global number to reflect accurately the diverse standards of living and operational expense in all of the countries in which we operate. Averaging profit per equity partner between New York and London may make sense, but when you operate in emerging markets around the globe, an average aggregate annual number tells you nothing about the success of a firm. A number perceived as small in New York or London may be perceived as large in any emerging market. Further, unless each global firm has a similar footprint and headcount in each region, which they clearly do not, the comparisons of profit per partner are meaningless.

Second, while such financial reporting has become the norm in some countries, and is required by law or regulation in others, in dozens of the markets in which we operate our partners object to any voluntary disclosure of finances outside our very internally transparent firm. For them, this is merely another sign of a law firm that is governed by the standards and expectations of the US or the UK and not in the best interests of a truly global, polycentric firm. As a multinational, multicultural and polycentric firm that meets client needs in more than 50 countries and 75 markets, Dentons operates in many jurisdictions in which voluntary or statutory reporting of financial performance is not customary. In those jurisdictions where either the law or regulation require us to report financial numbers we will, of course, do so as required.

Third, we believe our clients see reporting of profits as yet another example of law firms being concerned more about themselves than about serving the client. Industry experts have cited the laser-sharp focus on profits as a leading factor when measuring client dissatisfaction. Increases in profitability -- most particularly profits per equity partner -- can be interpreted as demonstrations of self interest rather than reinforcing the quality of client service or other critical attributes, including geographic reach, practice and sector experience and detailed knowledge of local laws and regulations. How many of our clients have told us how upsetting it is that the outside lawyers they hire make so much more than the lawyers they have on their own teams?

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Fourth, we believe that a single global profit figure is too frequently, and erroneously, used as an indication of the quality of a firm. This focus on lawyers' earnings rather than the range and quality of services provided to clients undermines the relationship between law firms and the clients we serve. A focus on profit undermines the differences between the practice of law being a profession rather than solely a business. Of course, it is a business, but it is also more, and issues of quality, ethics and doing right in the places in which we live and work can never be judged by a profit number that becomes, once reported, the principal measure of success.

Dentons is a new firm dedicated to challenging the status quo, and as such, we question all of the old ways of doing things. While we understand that our position will encounter criticism, and encourage the creative number crunching that others love to engage in, we nevertheless think that our position is in the best interests of our firm, our clients and the profession as a whole. It is easy to anticipate the assertion that we choose not to report aggregate annual average profit numbers because they are not as high as some other firms, including some more narrowly focused on a few areas of the law in a few areas of the world, but that assertion simply assumes that the way things have been done in the past is the way they should be done in the future. Challenging the status quo always has a short term cost, but we believe it is more than worth paying for the long-term benefit to our law firm, our partners, our clients and to the profession as a whole.

We invite other firms to join us.

Sincerely,



Elliott I. Portnoy
Global Chief Executive Officer



Joe Andrew
Global Chair